

MUR # 6318

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FEDERAL ELECTION
COMMISSION

2010 JUN 23 AM 10:46
June 20, 2010

From: Joel Van Brunt, on behalf of Sean Bielat for Congress
250 Main St, Norton, MA 02166

OFFICE OF GENERAL
COUNSEL

To: Office of General Counsel, Federal Election Commission
999 E Street, N.W., Washington, DC 20463

Subj: **COMPLAINT REGARDING THE FEDERAL ELECTIONS COMMISSION
FILINGS OF EARL HENRY SHOLLEY FROM THE 4TH DISTRICT OF
MASSACHUSETTS**

I, Joel Van Brunt on behalf of Sean Bielat for Congress, respectfully request to file a complaint regarding the Federal Elections Commissions filings of candidate Earl Henry Sholley from the 4th District of Massachusetts for the 2008 and 2010 congressional election cycles, for the following reasons:

1. *Lack of Detailed Expenditure Reports.* The primary reason for this complaint is that the candidate has never filed itemized campaign expenditures in two consecutive congressional election cycles. During the 2009-2010 election cycle, Mr. Sholley has raised approximately \$42,000 and spent all but approximately \$3,000 of those funds.
2. *Potential Misuse of Campaign Funds.* Since he has filed no detailed expenditure reports, it is unclear how Mr. Sholley spent the funds; however:
 - a. During the period of his reports Mr. Sholley appeared to have very limited campaign expenses, e.g., he had no campaign office, virtually no campaign staff, limited if any mailers, etc. This information is based on observation, anecdotal evidence, and the statements of individuals who were previously involved in his campaign.
 - b. From January 1 to July 31, 2009, Mr. Sholley declared a total of only \$3,000 of income on his U.S. House of Representatives Financial Disclosure Statement. He declared no savings or income yielding assets. This small amount of income is not sufficient for 7 months of living expenses. There is no existing Financial Disclosure Statement for the rest of 2009.
 - c. Based on i.) these observations, ii.) the understanding that during the past several years Mr. Sholley's primary source of income has been paid petitioning (i.e., signature-collecting), and iii.) the fact that Mr. Sholley has run previously for state office (multiple times) and federal office (2 times) before, it seems *possible* that Mr. Sholley has been using campaign funds for personal purposes in violation of federal election law.

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3. *Additional justifications for this complaint:*

- a. Mr. Sholley's campaign continued to receive contributions and declare expenditures in the first two quarters of 2009 even though he did not provide an itemized list of campaign expenditures.
- b. There is no record that Mr. Sholley responded to the FEC requests for additional information (Schedule A) from 11/25/08 to 12/31/08.
- c. There is no record that Mr. Sholley complied with FEC Request for Information Letters in the second quarter of 2009.

Summary and Requested Resolution: Mr. Sholley's failure to file detailed financial disclosures stands in stark contrast to the transparency in campaign finance expected of candidates for federal office. Additionally, if Mr. Sholley used campaign funds for his personal purposes, this undermines the trust and spirit of good faith in which his donors made their contributions. This misuse would also provide him with advantage over other candidates in the race who are, or were, unable to fund their own expenses during the same period and who as a result were unable to campaign full-time. Finally, this misuse of funds would be a serious violation of campaign finance law.

We believe that an audited set of expenditures reports would be required at a minimum. However, if these audited reports cannot be produced, we believe that legal enforcement action or the withdrawal of Mr. Sholley's candidacy would be an appropriate response. In any case, the FEC's investigation of this matter is appreciated.

Questions concerning this matter can be addressed to myself at _____ or joel@scanbielat.org.

Respectfully Submitted,



Joel Van Brunt

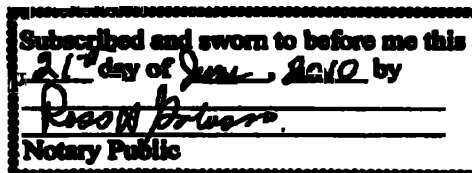


Exhibit A: Earl Sholley's only existing U.S. House of Representatives Financial Disclosure Statement which is dated January 1 to July 31st, 2009.

Other Sources: A brief examination of any of his quarterly reports will reveal the lack of itemized expenditures.

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UNITED STATES HOUSE OF REPRESENTATIVES FINANCIAL DISCLOSURE STATEMENT

FORM B
For use by candidates and new employees

Period covered: January 1, 2009 - July 31, 2009

Name: EARL HENRY SHALLEY Daytime Telephone: (508) 6993334

SEP 30 2009
RECEIVED
U.S. HOUSE OF REPRESENTATIVES
(Office Use Only)

<input checked="" type="checkbox"/> Candidate for the House of Representatives <input type="checkbox"/> New officer or employee	State: MA District: 1st Date of Election: 11/2/2010	<input type="checkbox"/> Check if Amendment	A \$200 penalty shall be assessed against anybody who files more than 30 days late.
Employing Office:			

In all sections, please type or print clearly in black ink.

PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

I. Did you or your spouse have "unearned" income (i.e., salaries or fees) of \$200 or more from any source in the reporting period? If yes, complete and attach Schedule I.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IV. Did you hold any reportable positions on or before the date of filing in the current calendar year or in the prior two years? If yes, complete and attach Schedule IV.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
II. Did you, your spouse, or a dependent child receive "unearned" income of more than \$200 in the reporting period or hold any reportable asset worth more than \$1,000 at the end of the period? If yes, complete and attach Schedule I.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	V. Did you have any reportable agreement or arrangement with an outside entity? If yes, complete and attach Schedule V.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
III. Did you, your spouse, or a dependent child have any reportable liability (more than \$10,000) during the reporting period? If yes, complete and attach Schedule III.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	VI. Did you receive compensation of more than \$5,000 from a single source in the two prior years? If yes, complete and attach Schedule VI.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

TRUSTS—Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from the report details of such a trust benefiting you, your spouse, or a dependent child? (See Instructions, page 6.)

Yes ☐ No ☒

EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption? Do not answer "yes" unless you have first consulted with the Committee on Standards of Official Conduct.

Yes ☐ No ☒

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NAME EARL HENRY STOWLEY Page 1 of 1

Exhibit A

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Exhibit A

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Configuration Sheet (if needed)

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Exhibit A

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SCHEDULE V—AGREEMENTS

Name **EARL HARRY SHAWLEY** no 1 of 1

Identify the date, parties to, and general terms of any agreement or arrangement with respect to future employment; a leave of absence during the period of government service; continuation or deferral of payments by a former or current employer other than the U.S. Government; or continuing participation in an employee welfare or benefit plan maintained by a former employer.

Date	Parties To	Terms of Agreement
	N/A	

SCHEDULE VI—COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE

Report sources of such compensation received by you or your business affiliation for services provided directly by you during the two prior years. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any nonprofit organization if you directly provided the services generating a fee or payment of more than \$5,000. Exclude: Payments by the U.S. Government and any information considered confidential as a result of a privileged relationship recognized by law. Do not repeat information filed on Schedule I.

Source (Name and Address)	Accounting services	Brief Description of Duties
Example: Doe James B Smith, Hometown, Homestate		
N/A		